

Storebrand

Q2 2013

12 July 2013

Odd Arild Grefstad – CEO (in Oslo)

Lars Aa. Løddesøl – CFO (in London)

Highlights Q2 2013

Result

- Group result of NOK 518 mill in Q2, NOK 1 070 mill YTD
- Fee and administration income increased with 8%
- Cost program preceding according to plan

Operations

- 27% growth in Unit Linked reserves from Q2 2012
- New organisational and reporting structure
- 6.1% return in DC standard portfolio YTD

Balance sheet

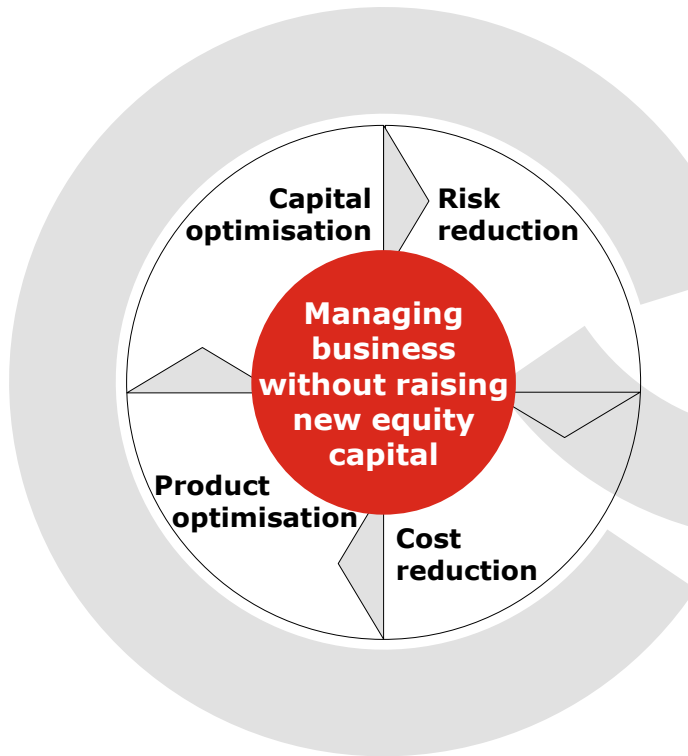
- Life group solvency ratio: 174%
- Customer buffer capital¹: 19.5 bn
- 8.3 bn guaranteed reserves transferred out YTD

¹ Customer buffer capital: Risk equalisation fund, Additional Statutory Reserves, Market Value Adjustment Reserves, Conditional Bonuses

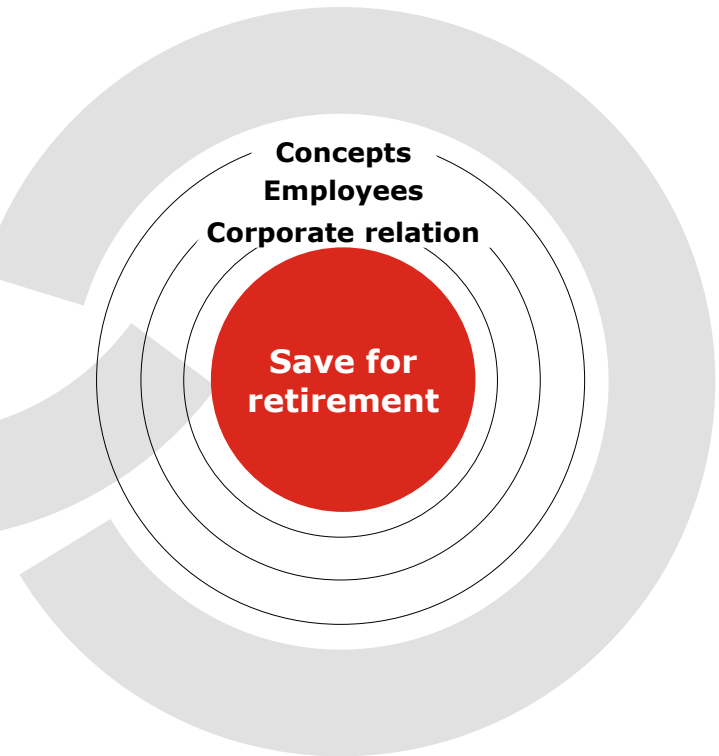
Our strategic response to changing market conditions

We work hard to reach our vision:
Recommended by our customers

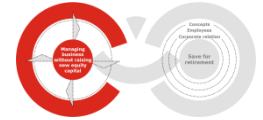
Managing the balance sheet



Developing the business

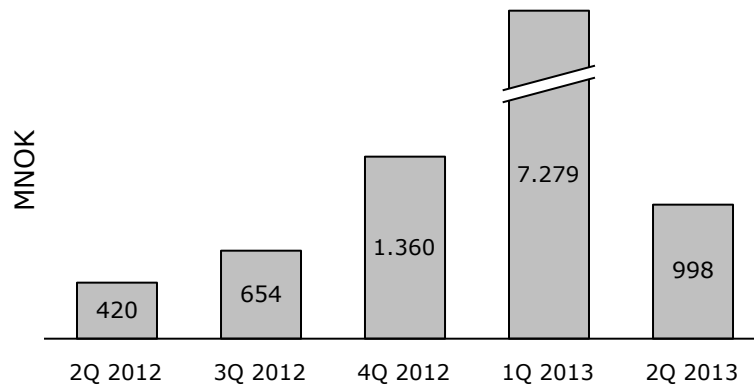


Managing the balance sheet



Capital optimization

Transfer out of Guaranteed products



Risk reduction

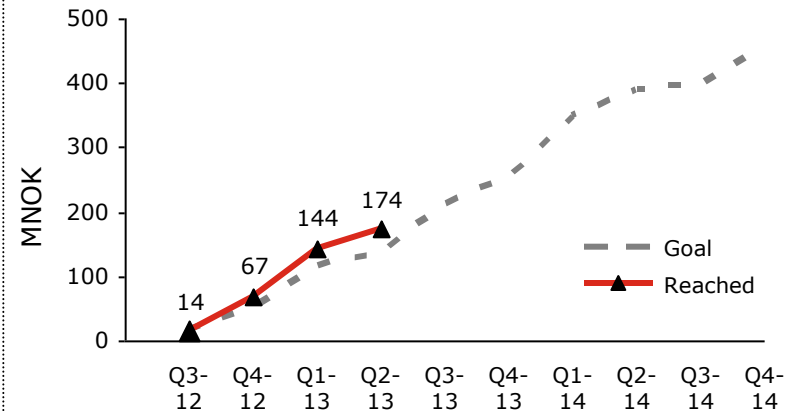
- Optimized real-estate portfolio – sold 7 shopping centers (13% of real estate portfolio)

Product optimisation

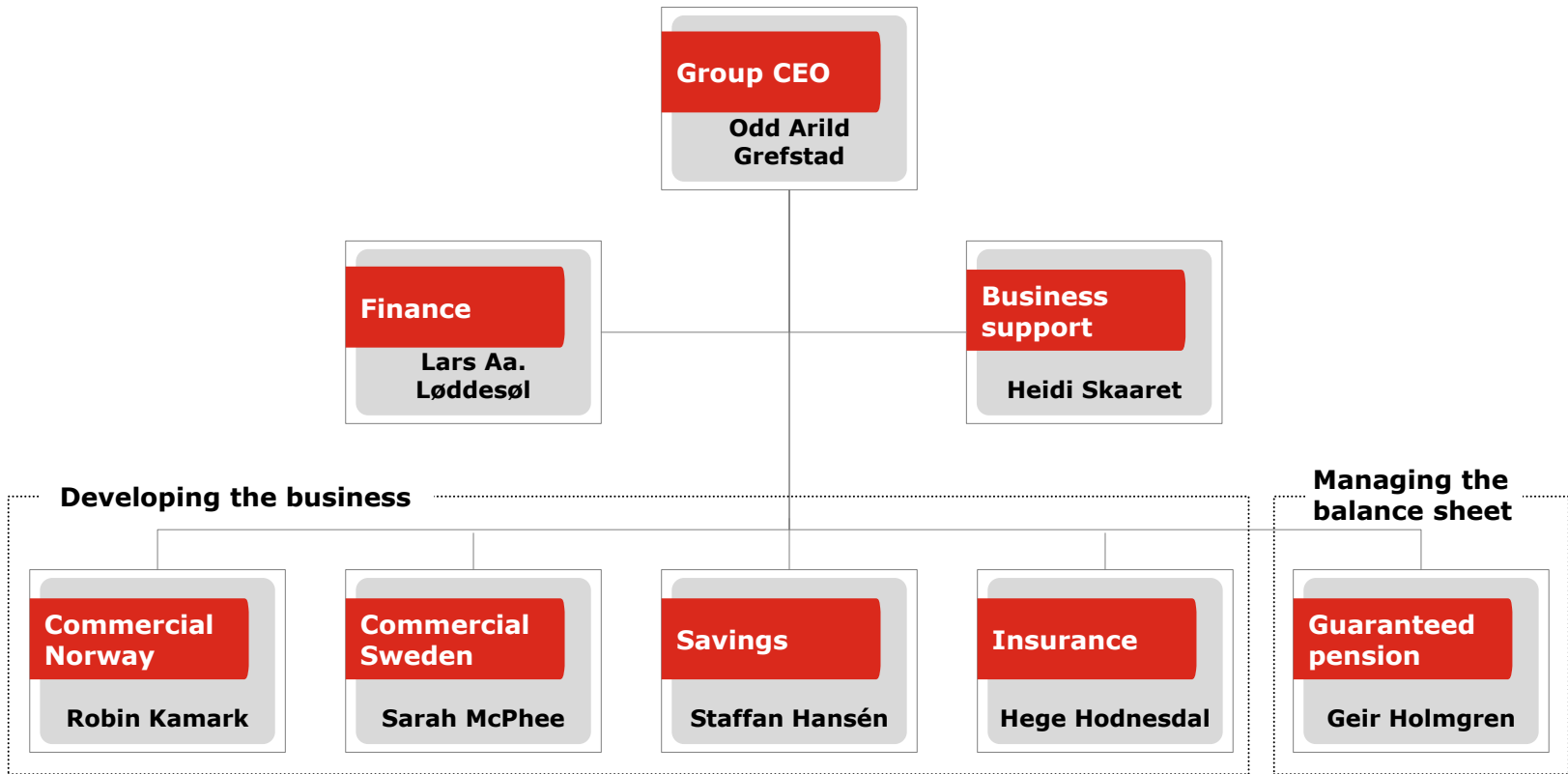
- SPP electable in largest collective pension platform ITP from July 2013

Cost reduction

Accumulated run-rate, annual effects



New Group organisational structure



Storebrand Group

- top line growth and cost control



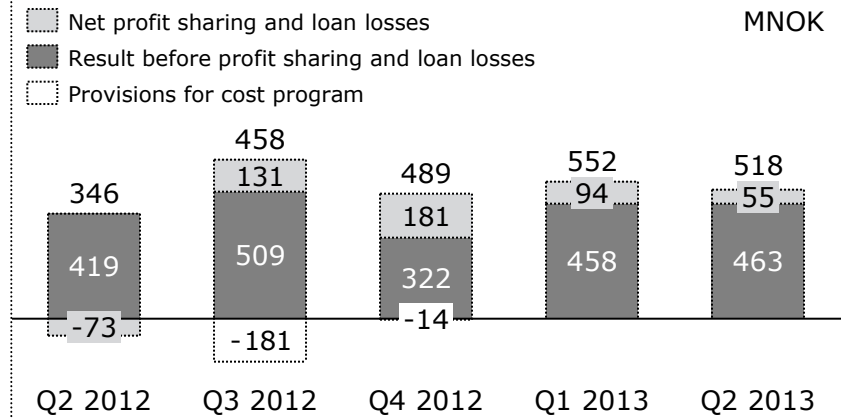
Result

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Fee and administration income	1 077	999	2 122	1 962	3 907
Underwriting result	259	270	483	561	1 072
Operational cost	-837	-861	-1 671	-1 692	-3 647
Financial result	-36	11	-13	40	176
Result before profit sharing and loan losses	463	419	921	871	1 508
Net profit sharing and loan losses	55	-73	150	141	451
Result before amortisation and write-downs	518	346	1 070	1 012	1 960

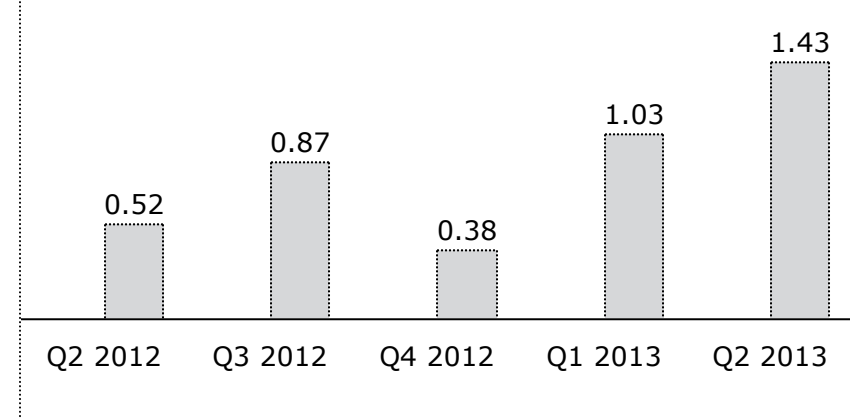
Result per line of business

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Savings (non-guaranteed)	141	81	227	140	288
Insurance	132	113	206	223	417
Guaranteed pension	310	174	709	630	1 193
Other	-64	-22	-71	19	61
Result before amortisation and write-downs	518	346	1 070	1 012	1 960

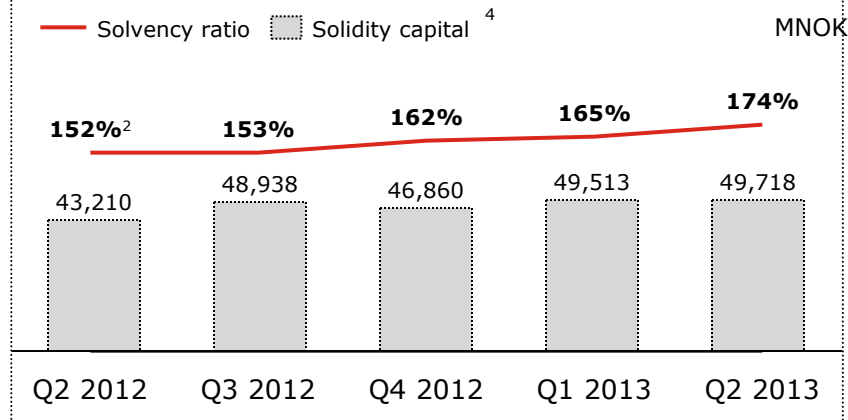
Result development



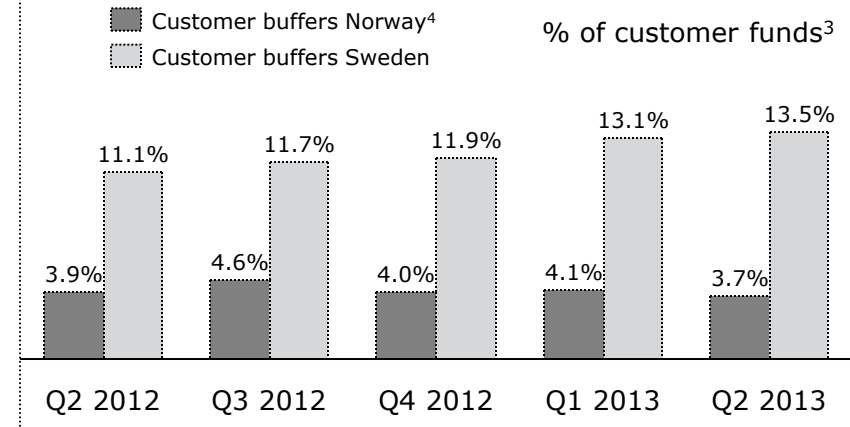
Earnings per share¹



Solvency ratio Storebrand Life Group



Customer buffers development



¹ Earnings per share after tax adjusted for amortisation of intangible assets.

² Based on changed methodology as noted in stock exchange notification dated 25 June 2012

³ Customer buffers in Benco of NOK 2.9 bn are not included

⁴ Solidity capital/customer buffers does not include provisions for future longevity reservations

Savings (non-guaranteed)

- solid result improvements



Result

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Fee and administration income	461	417	909	807	1 638
Risk result life & pensions	4	3	4	0	3
Operational cost	-320	-334	-657	-656	-1 417
Financial result	-	-	-	-	-
Result before profit sharing and loan losses	145	86	256	151	224
Net profit sharing and loan losses	-5	-5	-29	-11	63
Result before amortisation	141	81	227	140	288

Result per product line

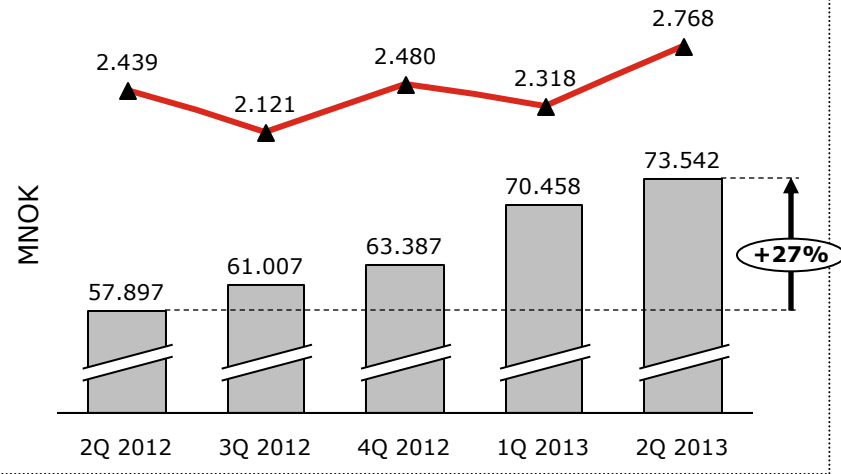
NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Unit Linked Storebrand	33	18	49	25	17
Unit Linked SPP	12	3	24	16	41
Asset Management	44	40	90	71	144
Retail Banking	52	20	64	27	85
Result before amortisation	141	81	227	140	288

Savings (non-guaranteed)

- strong growth in Unit Linked



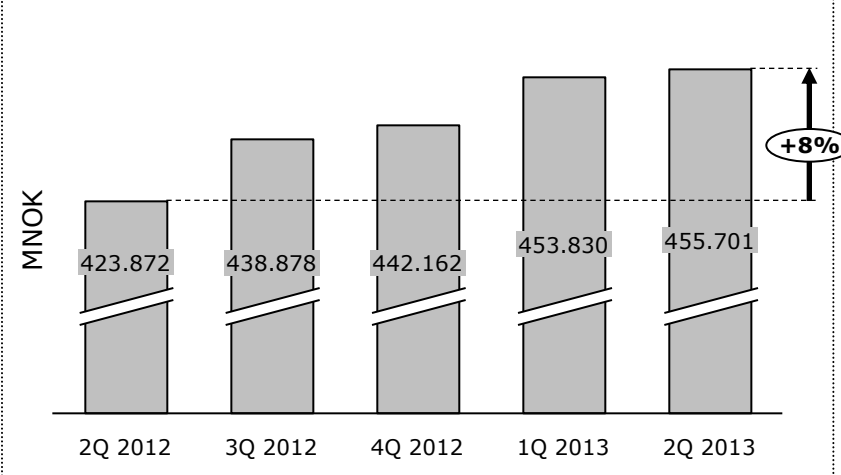
Reserves and premiums Unit Linked



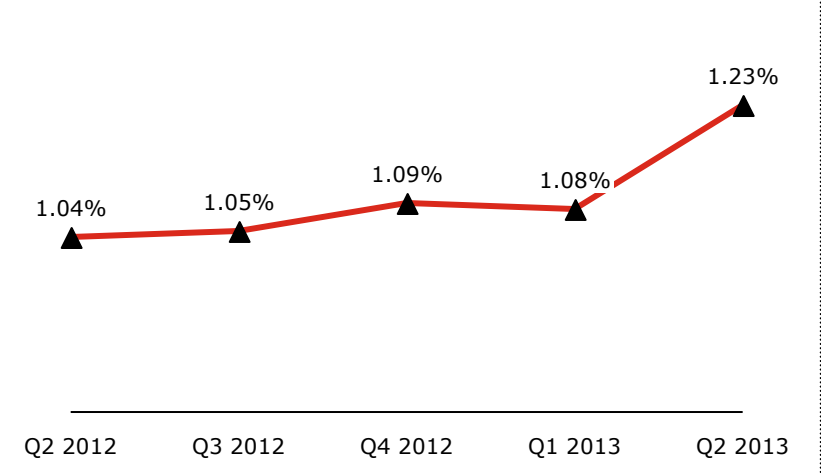
Comments

- Strong Unit Linked sales (APE) +25% 1. half 2013
- Strengthened market leader position
- Positive result development retail lending

Assets Under Management



Interest margin retail banking



Insurance

- strong group life result



Insurance

Result

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Insurance premiums f.o.a.	665	600	1382	1199	2510
Claims f.o.a.	-448	-408	-1004	-804	-1774
Operational cost	-120	-107	-238	-215	-470
Financial result	34	28	66	43	150
Result before profit sharing and loan losses	132	113	206	223	417
Net profit sharing and loan losses	0	0	0	0	0
Result before amortisation	132	113	206	223	417

Result per product line

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
P&C & Individual life*	70	63	135	128	255
Health & Group life**	86	41	118	65	147
Disability insurance***	-25	9	-47	30	15
Result before amortisation	132	113	206	223	417

* Individual life and disability, property and casualty insurance

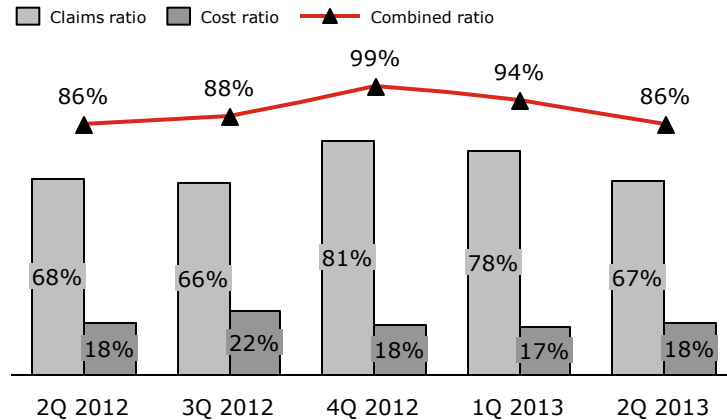
** Group life, workers comp. and health insurance (consolidated by 50% due to joint venture)

*** DC disability risk result Norwegian line of business

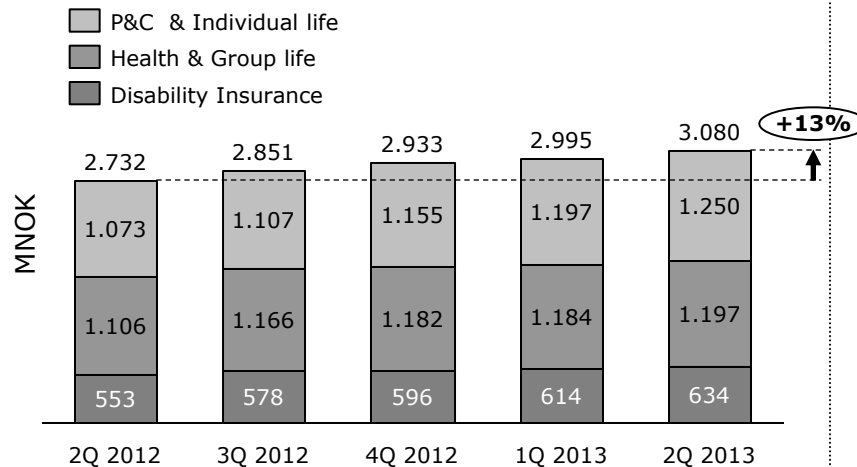
Insurance

- stable growth in premiums

Combined ratio



Written premiums



Comments

- Steady increase in premiums in all segments
- Strengthened reserves in disability related insurance
- Effects from flood 5 MNOK

Guaranteed pension

- maintained revenue margins



Result

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Fee and administration income	522	476	1 037	942	1 861
Risk result life & pensions	32	71	92	161	318
Operational cost	-295	-316	-591	-632	-1 375
Financial result	-	-	-	-	-
Result before profit sharing and loan losses	258	231	538	471	804
Net profit sharing and loan losses	52	-57	171	159	389
Result before amortisation	310	174	709	630	1 193

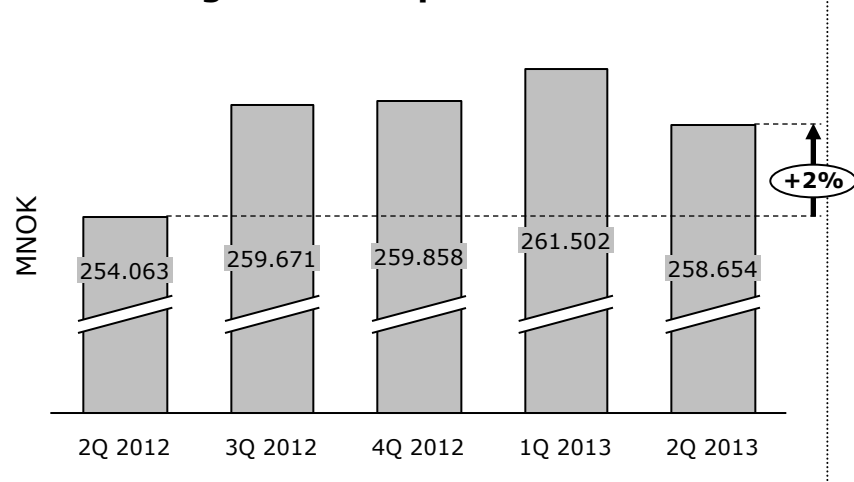
Result per product line

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Defined Benefit (fee based)	232	177	457	325	582
Paid-up policies	-35	4	-41	26	13
Traditional individual life and pension	-0	-5	-0	-5	-1
SPP Guaranteed Products	113	-2	292	284	598
Result before amortisation	310	174	709	630	1 193

Guaranteed pension - reduced reserves



Reserves guaranteed products



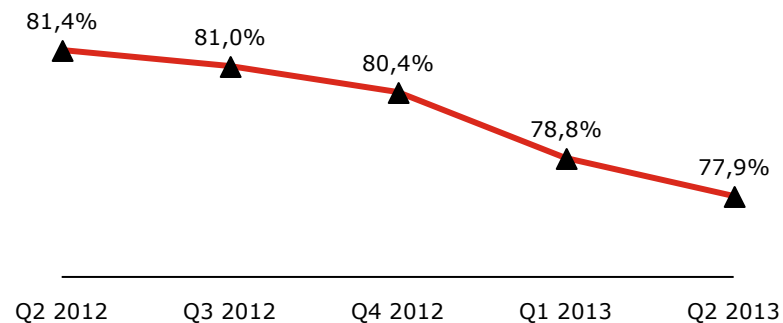
Comments

- Transfer out of guaranteed products of 8.3 bn YTD
- Booked and value adjusted return of 1.9% in SBL YTD
- Consolidation ratio of 110% in DB portfolio SPP

Buffer capital

NOK million	30.06.2013	31.12.2012	Change in 2013
Market value adjustment reserve	1 028	1 027	1
Excess value of bonds at amortised cost	4 999	5 225	-226
Additional statutory reserve	5 280	5 746	-466
Provisions for new mortality tables	4 305	4 305	0
Unallocated results	790	0	790
Conditional bonuses SPP	9 668	8 626	1 042
Total	26 070	24 929	1 141

Guaranteed reserves in % of total reserves



Result

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Fee and administration income	94	106	176	213	408
Risk result life & pensions	6	5	9	5	14
Operational cost	-102	-104	-184	-189	-385
Financial result	-70	-17	-79	-3	26
Result before profit sharing and loan losses	-72	-11	-79	26	63
Net profit sharing and loan losses	8	-11	7	-7	-1
Result before amortisation	-64	-22	-71	19	61

Result per product line

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Corporate Banking	15	37	41	85	153
BenCo	21	13	30	28	62
Holding company costs and net financial results in company portfolios	-100	-72	-143	-94	-154
Result before amortisation	-64	-22	-71	19	61

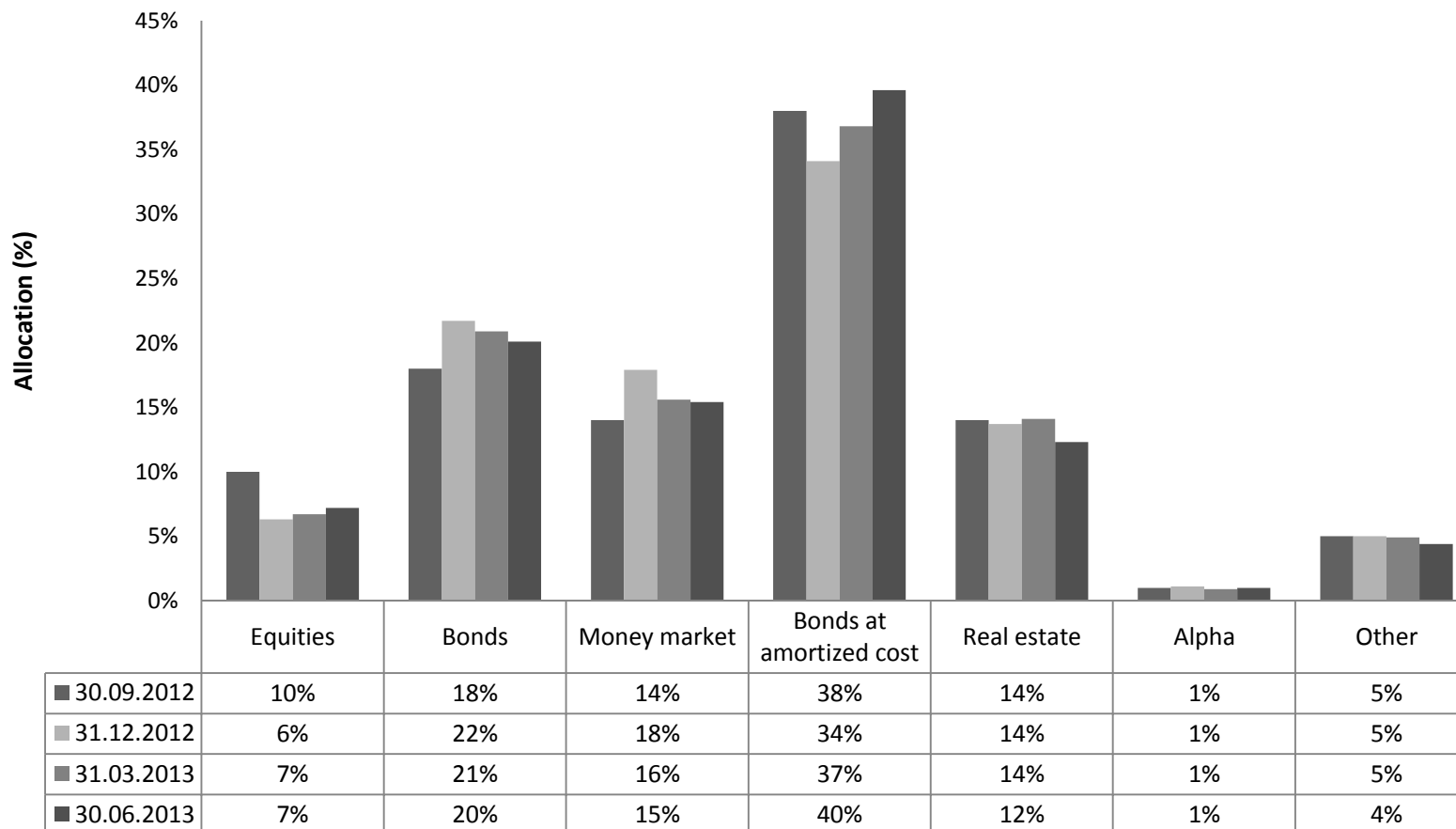
Summary

- Top line growth continues: +8.2% YTD
- Nominal cost flat: cost program on plan
- Transfer from guarantees: 8.3bn YTD
- Solvency ratio: 174%



Appendix:

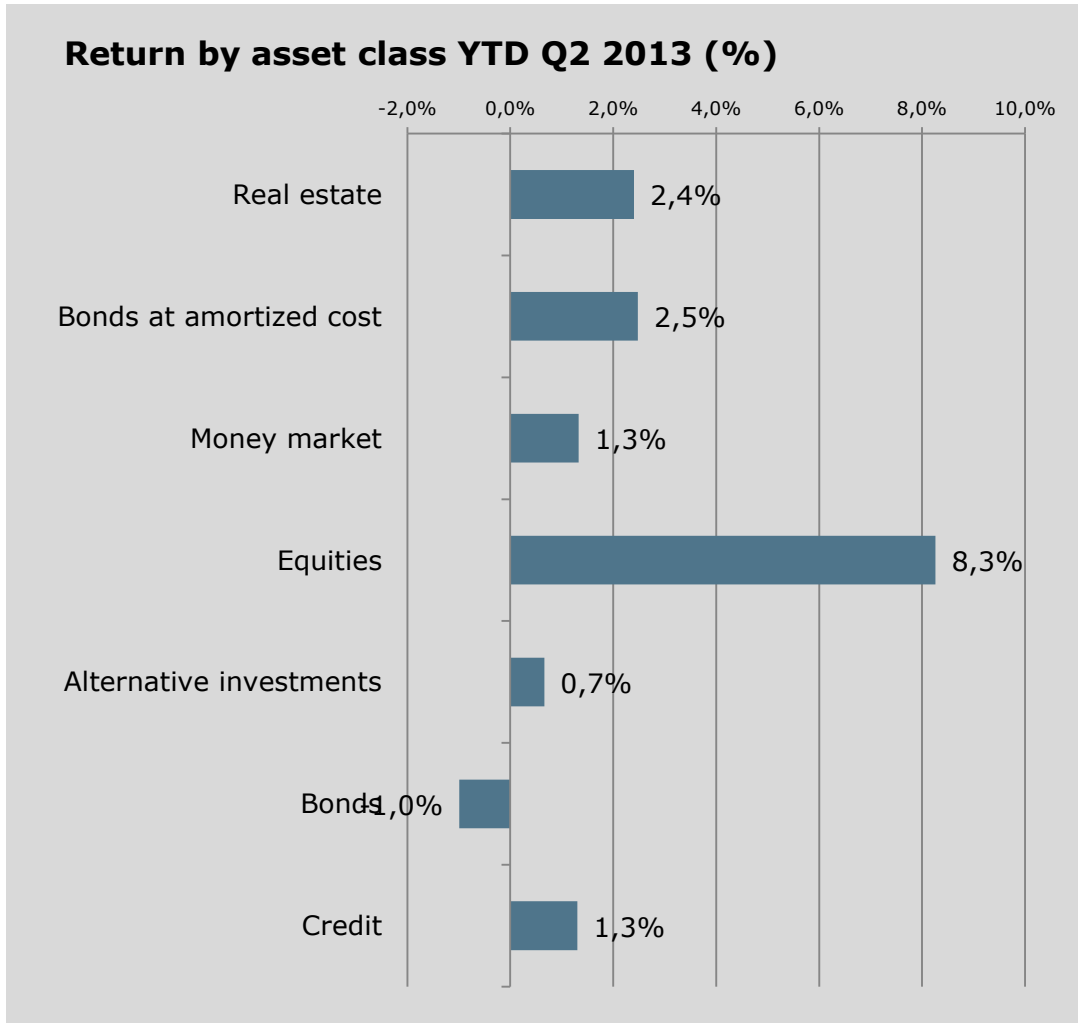
Storebrand Life Insurance asset allocation



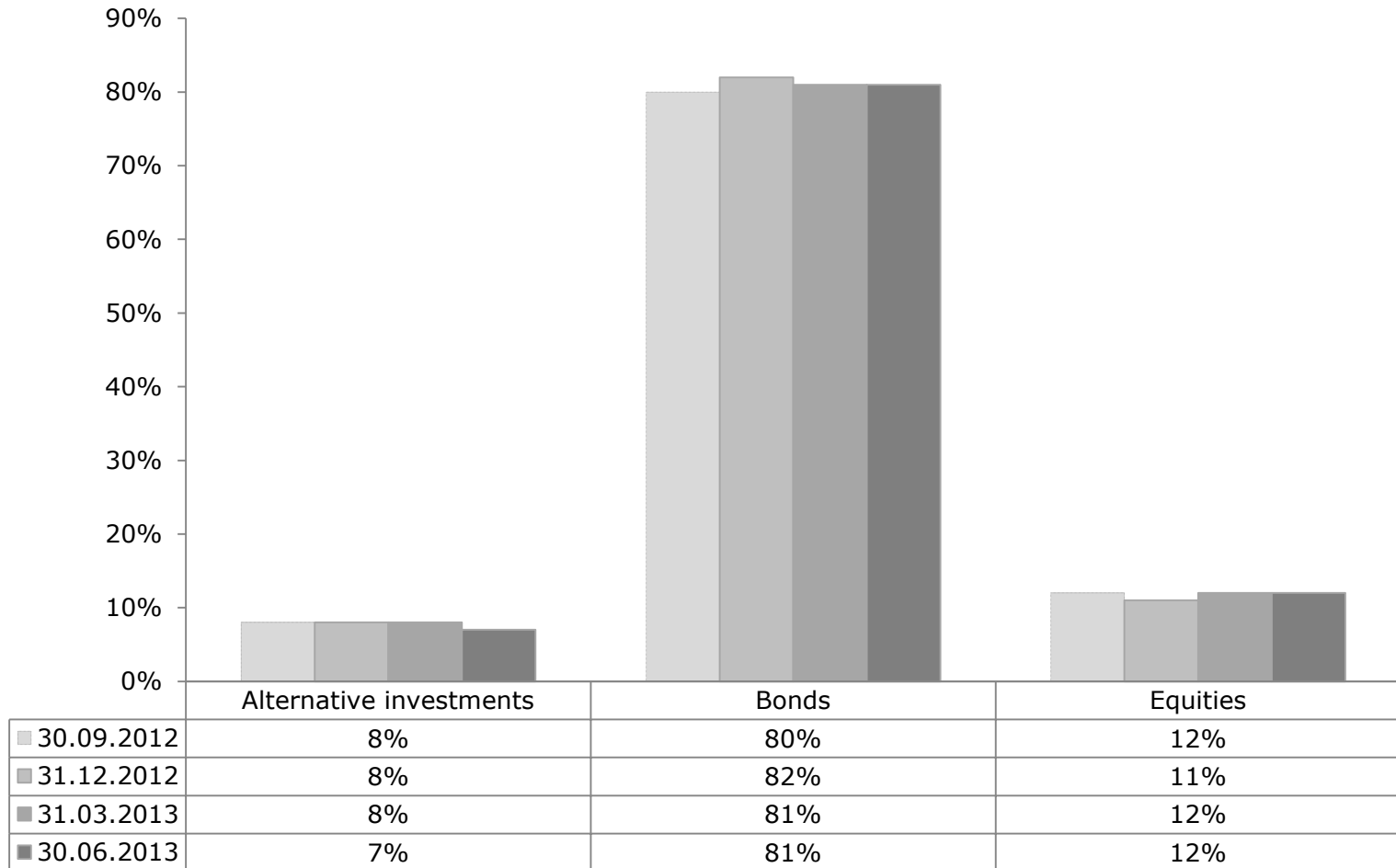
¹ The graph shows the asset allocation for all products with an interest rate guarantee in Storebrand Life Insurance Norwegian operations.

Storebrand Life Insurance

- return by asset class



SPP asset allocation



¹ The graph shows the asset allocation for all products with an interest rate guarantee in SPP.